



General Assembly

January Session, 2015

Committee Bill No. 5888

LCO No. 3575



Referred to Committee on ENVIRONMENT

Introduced by:
(ENV)

**AN ACT INCREASING REIMBURSEMENT FOR MUNICIPAL
PHOSPHOROUS ABATEMENT.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (c) of section 22a-478 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July*
3 *1, 2015*):

4 (c) The funding of an eligible water quality project shall be pursuant
5 to a project funding agreement between the state, acting by and
6 through the commissioner, and the municipality undertaking such
7 project and shall be evidenced by a project fund obligation or grant
8 account loan obligation, or both, or an interim funding obligation of
9 such municipality issued in accordance with section 22a-479. A project
10 funding agreement shall be in a form prescribed by the commissioner.
11 Eligible water quality projects shall be funded as follows:

12 (1) A nonpoint source pollution abatement project shall receive a
13 project grant of seventy-five per cent of the cost of the project
14 determined to be eligible by the commissioner.

15 (2) A combined sewer project shall receive (A) a project grant of fifty
16 per cent of the cost of the project, and (B) a loan for the remainder of
17 the costs of the project, not exceeding one hundred per cent of the
18 eligible water quality project costs.

19 (3) A construction contract eligible for financing awarded by a
20 municipality on or after July 1, 2012, as a project undertaken for
21 nutrient removal shall receive a project grant of thirty per cent of the
22 cost of the project associated with nutrient removal, a twenty per cent
23 grant for the balance of the cost of the project not related to nutrient
24 removal, and a loan for the remainder of the costs of the project, not
25 exceeding one hundred per cent of the eligible water quality project
26 costs. Nutrient removal projects under design or construction on July
27 1, 2012, and projects that have been constructed but have not received
28 permanent, Clean Water Fund financing, on July 1, 2012, shall be
29 eligible to receive a project grant of thirty per cent of the cost of the
30 project associated with nutrient removal, a twenty per cent grant for
31 the balance of the cost of the project not related to nutrient removal,
32 and a loan for the remainder of the costs of the project, not exceeding
33 one hundred per cent of the eligible water quality project costs.

34 (4) If supplemental federal grant funds are available for Clean Water
35 Fund projects specifically related to the clean-up of Long Island Sound
36 that are funded on or after July 1, 2012, a distressed municipality, as
37 defined in section 32-9p, may receive a combination of state and
38 federal grants in an amount not to exceed fifty per cent of the cost of
39 the project associated with nutrient removal, a twenty per cent grant
40 for the balance of the cost of the project not related to nutrient removal,
41 and a loan for the remainder of the costs of the project, not exceeding
42 one hundred per cent of the allowable water quality project costs.

43 (5) A municipality with a water pollution control project, the
44 construction of which began on or after July 1, 2003, which has (A) a
45 population of five thousand or less, or (B) a population of greater than
46 five thousand which has a discrete area containing a population of less

47 than five thousand that is not contiguous with the existing sewerage
48 system, shall be eligible to receive a grant in the amount of twenty-five
49 per cent of the design and construction phase of eligible project costs,
50 and a loan for the remainder of the costs of the project, not exceeding
51 one hundred per cent of the eligible water quality project costs.

52 (6) Any contract entered into by a municipality on or before July 1,
53 2018, that is eligible for financing as a project undertaken for
54 phosphorus removal to at or below two-tenths milligrams per liter
55 effluent discharge, shall receive (A) a project grant of [fifty] sixty-five
56 per cent of the cost of the project associated with such phosphorus
57 removal, (B) except as provided in subdivision (3) of this subsection, a
58 twenty per cent grant for the balance of the cost of the project, and (C)
59 a loan for the remainder of the costs of the project, not exceeding one
60 hundred per cent of the eligible water quality project costs. In
61 providing funding under this subdivision, the commissioner shall give
62 priority, first to projects with the lowest permitted limit of phosphorus
63 discharge as contained in a valid discharge permit issued pursuant to
64 section 22a-430, and then to those that remove the greatest amount of
65 phosphorus, as measured in pounds per year.

66 (7) A municipality with a 2012 population of not less than forty
67 thousand but not more than forty-two thousand with a municipal
68 sewerage system that provides a regional sewerage treatment capacity
69 to not less than five abutting communities, each with 2012 populations
70 of less than five thousand, shall receive funding levels consistent with
71 subdivisions (1) to (6), inclusive, of this subsection plus an additional
72 five per cent for the design and construction phase costs of an eligible
73 water quality project and a loan for the remainder of the costs of such
74 eligible water quality project, provided such loan shall not exceed one
75 hundred per cent of the costs of such eligible water project.

76 (8) Any other eligible water quality project shall receive (A) a project
77 grant of twenty per cent of the eligible cost, and (B) a loan for the
78 remainder of the costs of the project, not exceeding one hundred per

79 cent of the eligible project cost.

80 (9) Project agreements to fund eligible project costs with grants from
 81 the Clean Water Fund that were executed during or after the fiscal year
 82 beginning July 1, 2003, shall not be reduced according to the provisions
 83 of the regulations adopted under section 22a-482.

84 (10) On or after July 1, 2002, an eligible water quality project that
 85 exclusively addresses sewer collection and conveyance system
 86 improvements may receive a loan for one hundred per cent of the
 87 eligible costs provided such project does not receive a project grant.
 88 Any such sewer collection and conveyance system improvement
 89 project shall be rated, ranked, and funded separately from other water
 90 pollution control projects and shall be considered only if it is highly
 91 consistent with the state's conservation and development plan, or is
 92 primarily needed as the most cost effective solution to an existing area-
 93 wide pollution problem and incorporates minimal capacity for growth.

94 (11) All loans made in accordance with the provisions of this section
 95 for an eligible water quality project shall bear an interest rate of two
 96 per cent per annum. The commissioner may allow any project fund
 97 obligation, grant account loan obligation or interim funding obligation
 98 for an eligible water quality project to be repaid by a borrowing
 99 municipality prior to maturity without penalty.

This act shall take effect as follows and shall amend the following sections:

Section 1	July 1, 2015	22a-478(c)
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Statement of Purpose:

To assist municipalities that have already entered into contracts for certain phosphorous reductions to better afford the costs associated with such reductions.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]

Co-Sponsors: REP. MUSHINSKY, 85th Dist.

H.B. 5888